

BILL # HB 2619

SPONSOR: Mason

PREPARED BY: Leatta McLaughlin

TITLE: new schools; energy standards

STATUS: As Introduced

FISCAL ANALYSIS

Description

This bill would require all new schools built after July 1, 2008 to conform to energy and water performance standards which would be approved by the School Facilities Board (SFB). In determining the standards, SFB shall take into consideration energy and environmental design rating systems developed by the U.S. Green Building Council.

Estimated Impact

The bill has an estimated General Fund cost of \$1.1 million in FY 2009 and \$21.0 million once fully implemented in FY 2014.

SFB estimates a General Fund cost of \$950,000 in FY 2009 and \$19.0 million once fully implemented in FY 2014.

This bill may result in operating cost savings for school districts due to reduced energy consumption.

Analysis

SFB provides funding to public school districts across the state to finance new school construction projects based on a statutory new construction formula. A district is eligible for a new school when SFB has determined that the district will not have enough building space to house its student population.

This bill would require all schools to be built to SFB approved energy and water standards in which the U.S. Green Building Council's energy and environmental design rating systems are taken into consideration. The Council provides the Leadership in Energy Efficiency Design (LEED) standards which are a national standard for developing sustainable buildings. For this analysis, it was assumed that SFB would approve LEED Silver standards for new school construction since they have requested additional monies for LEED Silver standards in the previous 2 budget cycles. Based on this assumption, SFB estimates that conforming new schools to LEED Silver standards would increase the cost of new school construction by 5%.

SFB on average has approved an average of 35 new school construction projects each year since the agency's establishment in FY 1999. The average size of the schools constructed since FY 1999 is 82,000 square feet. Currently, the average statutory cost per square foot to build a school is \$146.43. Based on those assumptions, SFB would approve \$420.0 million worth of new school projects in a year. This estimate may be overstated for FY 2009 in the midst of the slowdown in the state's housing market, which would affect the demand for new school space. Since it is assumed that each new school would require an additional 5% under this bill, this would add \$21.0 million onto the current estimated annual approval amount.

SFB historically has spent about 5% of the total approval amount in the year the approvals were made, with the remainder spent over the next 5 years. Based on the historic spend-out pattern, SFB would spend an additional \$1.1 million in FY 2009. By FY 2014, once fully implemented, the bill would increase SFB spending by \$21.0 million.

If standards other than LEED Silver were approved by SFB, the estimated cost would either increase or decrease depending on how the standards relate to the LEED Silver rating.

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Local Government Impact

Increasing new construction funding expenditures for energy efficiency equipment would result in operating cost savings for school districts. The cost savings would result from lower energy and water consumption. SFB estimates that total new construction approvals each year would save approximately 5.3 million kilowatts of electricity per year based on the LEED standard of reducing energy consumption by 15%. Regarding water usage, the LEED standard is a 20% reduction, which SFB estimates would result in savings of 8-12 million gallons of water annually.

2/15/08